

Exhibit E

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SEALED

1 UNITED STATES DISTRICT COURT
2 SOUTHERN DISTRICT OF NEW YORK

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3 DEBORAH D. PETERSON, Personal
4 Representative of the Estate
of James C. Knipple (Dec.),
et al.,

Plaintiffs,

v.

01 CV 2094 (RCL)
and 01 CV 2684 (RCL) (D.D.C.)

7 ISLAMIC REPUBLIC OF IRAN,
8 et al.,

Defendants.

9 -----x

10 June 27, 2008
11 11:15 a.m.

12 Before:

13 HON. JOHN G. KOELTL,

14 District Judge

15 APPEARANCES

16 SALON MARROW DYCKMAN NEWMAN & BROUDY, LLP

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24 BY: DAVID J. COOK

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A P P E A R A N C E S (continued)

WHITE & CASE
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Attorneys for Citibank
BY: SHARON L. SCHNEIER

X86RYPET2

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Gem - direct

1 MR. PANOPOULOS: Your Honor, I think when we now refer
2 to the securities, I will just refer to the last four digits
3 and numbers for ease of reference.

4 So the one marked in yen, the third one in the
5 column --

6 THE COURT: You are now on Exhibit C?

7 MR. PANOPOULOS: Yes, sir.

8 The list in Exhibit C is the same as the securities
9 that are in the writ and in the restraining notices. We
10 reordered them because of the presentation of evidence.

11 In other words, it doesn't follow the order that
12 plaintiffs had, that's all.

13 THE COURT: Okay.

14 BY MR. PANOPOULOS:

15 Q. Continue, Mr. Gem.

16 A. I would say all of these securities are denominated in U.S.
17 dollars. That means they are due to redeem and pay periodic
18 interest in the currency United States dollars, with one
19 exception, [REDACTED] [REDACTED]

20 [REDACTED]
21 The information that we have here is the description
22 that appears in Clearstream Bank's Incorporation records of the
23 security itself so that is an extract or a summarization of the
24 information provided by the issuer and its agent on the
25 security, the distribution dates of the security, meaning when

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Gem - direct

1 it was settled initially on the primary market, in other words,
2 when the issuer got his money; the maturity date when that
3 issue is due to redeem; and all of these are simple bonds in
4 that they will redeem at par, they are not complex structures
5 or become somewhat more frequent, but here they are what we
6 call straight bonds.

7 The initial amounts were the initial amounts raised by
8 the issuer on that security. The initial amount is not
9 necessarily the currency outstanding, because in certain
10 securities issued it is possible for the issuer to tap the
11 issue with further drawings during the life of the security,
12 and this has happened, indeed, with the [REDACTED], which is the one
13 set out all by itself where [REDACTED]

14 [REDACTED] [REDACTED]
15 [REDACTED]
16 The fourth column is the interest rate and that is
17 important to show that these are, again, simple and
18 straightforward securities that pay a fixed coupon that would
19 not vary during the lifetime of the security so the issuer is
20 committed to pay that interest rate from its issuance to its
21 maturity.

22 Q. Mr. Gem, you testified earlier that many persons take
23 positions on these securities, is that correct?

24 A. That is, indeed, correct.

25 Q. And who are Clearstream's customers?

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Gem - direct

1 A. Clearstream customers are uniquely banks, central banks and
2 financial institutions.

3 Q. And so it would be those kinds of institutions or banks who
4 would be taking positions on these securities?

5 A. These securities will be held in general by, for example,
6 investment funds who would not necessarily be holding them
7 directly through us but through a consortium bank who would
8 then employ the custody.

9 They would be held, also being very high-grade
10 securities, these are what we call supranatural issues, meaning
11 they are issued by super sovereign agencies, such as the
12 European Investment Bank or a German government subsidy agent
13 or by the World Bank. We see that issuer here, or by sovereign
14 issuer here if we see the Republic of Italy there, for example,
15 and that would all tend to appeal to central banks, for
16 example, as stores of reserve investments.

17 Q. Thank you, Mr. Gem.

18 Could I now move to Exhibit D. I would like to pass
19 out a new Exhibit D.

20 MR. PANOPOULOS: We noticed a mistake in the first row
21 of Exhibit D for security [REDACTED] You will see in the column
22 that has UBAE there is a zero and it is followed by a 13061.
23 That line is a result of the Excel program dragging down the
24 heading in the column before hand.

25 Your Honor, I am just going to hand out a new Exhibit